

**UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND**

TEAMSTERS LOCAL 251 HEALTH :
SERVICES AND INSURANCE PLAN, :
by and through its BOARD OF TRUSTEES and :
TAMMY BEAUDREAULT, in her official capacity: :
as Fund Administrator, :
Plaintiff, :

V.

C.A. No.

ABF FREIGHT SYSTEM, INC,
Defendant.

COMPLAINT

Introduction

1. This is an action to compel payment of contributions, interest, and penalties to an employee welfare benefit plan pursuant to the Employee Retirement Income Security Act (“ERISA”), 29 U.S.C. §1001 et seq.

Parties and Jurisdiction

2. Teamsters Local 251 Health Services and Insurance Plan (“Local 251 HSIP” or “the Fund”) is a multi-employer benefit plan within the meaning of ERISA, 29 U.S.C. §§1002(1) and (37).

3. Plaintiff Tammy Beaudreault is the Fund Administrator.

4. Defendant ABF Freight System, Inc. (“ABF” or “Defendant”) is a foreign corporation organized under the laws of State of Delaware. Defendant is an “employer” within the meaning of Sections 3(5) and 515 of ERISA, 29 U.S.C. §§ 1002(5) and 1145 and has the requisite minimum contacts with the State of Rhode Island.

5. Teamsters Local 251 (“the Union” or “Local 251”) is a labor organization within the meaning of Section 301 of the Labor-Management Relations Act (“LMRA”), 29 U.S.C. § 185, which represents employees in an industry affecting commerce as defined in 29 U.S.C. § 142. The Union maintains its office in East Providence, Rhode Island.

6. This Court has jurisdiction pursuant to 29 U.S.C. §§ 1331 and 1367, and by Section 502(e)(1) and (f) of ERISA, 29 U.S.C. §§ 1132(e)(1) and (f), and by Section 301 of the LMRA, 29 U.S.C. § 185 (a).

7. Venue properly lies in this district under Section 502(e)(2) and (f) of ERISA, 29 U.S.C. § 1132(e)(2) and (f), and by Section 301(a) of the LMRA, 29 U.S.C. § 185(a).

Facts

8. Local 251 HSIP was established to provide various types of benefits, including medical, life, and disability, to eligible participants. It is administered by a Board of Trustees consisting of management and Union trustees, and a Fund Administrator.

9. Benefits, as aforesaid, are financed in part by employer contributions. The contribution rate is set by two agreements: (1) the National Master Freight Agreement (“NMFA”) between ABF and the International Brotherhood of Teamsters and its various local unions, including Local 251, and (2) the ABF New England Freight Supplemental Agreement between ABF and eight New England local unions including Local 251.

10. The rights and obligations of the Fund and each employer are set forth in the Agreement and Declaration of Trust (“Trust Agreement”).

11. The Trust Agreement provides, in relevant part, that each employer shall submit timely payroll reports of contributions, promptly pay contributions, and pay penalties and interest when in default.

12. Defendant and the Union have been, at all relevant times, parties to and bound by the aforementioned NMFA and Supplemental Agreement (hereinafter collectively referred to as “the Agreement”), which provide that Defendant shall comply with the terms of the Trust Agreement.

13. Section 515 of ERISA, 29 U.S.C. § 1145, requires every employer who is obligated to make contributions to a multi-employer plan under the terms of a collective bargaining agreement to make such contributions in accordance with the terms and conditions of such plan and such agreement.

14. Pursuant the Agreement, effective August 1, 2018, Defendant was required to increase its hourly contribution rate by \$.50 per hour.

15. The hourly contribution rate set by Local 251 HSIP’s Trustees (“the Trustees”) was \$11.4125 as of August 1, 2017.

16. During the period 2016 through March 31, 2018, the Trustees permitted ABF to transfer a portion of its hourly contribution rate to the Teamsters New England Pension Fund, which was in critical status.

17. By letter dated May 30, 2018, Local 251 HSIP’s Co-Chairmen informed ABF that the reduced contribution rate would only be effective through March 31, 2018. “[Beginning] April 1, 2018, ABF’s hourly contribution rate to the Fund shall be \$11.4125.”

18. Effective August 1, 2018, the hourly contribution rate increased to \$11.9125.

19. Despite the foregoing demands, since on or about April 1, 2018, Defendant has failed to pay the appropriate contribution requirement, including any interest owed pursuant to the Local 251 HSIP’s Delinquency Policy. Instead, since April 1, 2018, Defendant has continued to pay an hourly contribution rate of \$10.1525.

20. By the aforesaid acts and omissions, Defendant has violated ERISA, 29 U.S.C. §1132(a)(3) and §1145.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that this Honorable Court:

- (1) Award the Fund the following amounts:
 - a. unpaid contributions;
 - b. interest on unpaid contributions at the rate of 1.5% per month;
 - c. liquidated damages in an amount equal to the greater of interest on the unpaid contributions or 20% of the unpaid contributions; and
 - d. all costs and reasonable attorneys' fees incurred by the Fund in connection with this action; and
- (2) Order such other and further relief as this Court deems just and proper.

Dated: July 30, 2019

Respectfully submitted,
On behalf of Plaintiff,
By its attorney,

/s/ Elizabeth Wiens
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